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C O N F I D E N T I A L AIT TAIPEI 001566

STATE FOR EAP/TC AND EAP/CM
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E.O. 12958: DECL: 11/05/2018
TAGS: [ECON](#) [ETRD](#) [PGOV](#) [PREL](#) [EINV](#) [TW](#) [HK](#) [CH](#)
SUBJECT: HONG KONG UPGRADES ITS TAIWAN TRADE OFFICE

REF: HONG KONG 2002 (NOTAL)

Classified By: Economic Chief Hanscom Smith for reasons 1.4 (b) and (d).

¶1. (C) During a November 6 meeting with economic chief, Hong Kong Trade Development Council (HKTDC) Ltd. Taiwan Branch General Manager Perry Fung said his office has upgraded its status from "consultancy" to "limited company," reflecting the overall improvement in cross-Straits economic ties (reftel). Fung, a Hong Kong native who recently arrived in Taipei after a stint at the HKTDC branch office in Beijing, said the Taipei office now has two local Taiwan employees, but hopes to expand in the near future. HKTDC focuses on supporting commercial activity involving the approximately 10,000 Hong Kong businesspeople in Taipei, he explained. The office's functions are primarily commercial, said Fung, but can sometimes include emergency consular-style services on an ad hoc basis.

¶2. (C) According to Fung, warming cross-Straits relations under the Ma administration have prompted increased Hong Kong business interest in Taiwan commercial opportunities. In the short term, he observed, Hong Kong's traditional role as a gateway to the PRC may suffer as Taiwan builds direct air and transport links with the PRC. Over the longer term, however, Hong Kong businesses hope to take advantage of burgeoning cross-Straits business activity by providing banking, accounting, insurance, and other financial services. Fung noted that a number of Hong Kong trade delegations from the professional services and entertainment sectors have or soon will be visiting Taiwan. He also mentioned that a Taiwan-Hong Kong business association, similar to a chamber of commerce, has recently been established with roughly 50 individual members.

SYOUNG